

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

IN RE:

SERVICE ONE LLC

Debtor

Case No. 22-40503  
Chapter 11  
(Subchapter V)

**SECOND INTERIM ORDER AUTHORIZING CASH COLLATERAL USE AND  
GRANTING ADEQUATE PROTECTION**

On the 9<sup>th</sup> day of May 2022 came on for consideration, on a second interim basis, the *Motion for Interim and Final Orders Authorizing Cash Collateral Use and Granting Adequate Protection* [Doc 15] (the “Motion”),<sup>1</sup> the request of Mark A. Weisbart, the Subchapter V trustee of Service One, LLC (the “Trustee”) for continued authority to use the cash collateral of BlueVine Capital Inc. (“BlueVine”) and the U.S. Small Business Association (the “SBA”), pursuant to 11 U.S.C. § 363, which the Court previously granted through the *Interim Order Authorizing Cash Collateral Use and Granting Adequate Protection*, entered on April 28, 2022 [Doc 37] (the “First Interim Order”) and in accordance with the terms and conditions set forth herein and the budget attached hereto as Exhibit “A” (the “Budget”). Based on the Motion, the evidence before the Court, the agreement of the Trustee and BlueVine contained herein and the representations from Trustee’s counsel that James Gillingham, Esq., counsel to the SBA, has approved the form of this order, the Court finds and concludes that: (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of the Debtor, its estate, and its creditors; (iv) proper and adequate notice of the Motion has been given and no other or further notice is

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<sup>1</sup> All capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.

necessary; (v) no objections to the Motion have been filed, and (vi) upon the record herein after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set forth herein. Accordingly, the Court hereby grants the Trustee's request to use cash collateral, on an interim basis, pursuant to Rule 4001 of the Federal Rules of Bankruptcy Procedure as its implementation will, inter alia, allow for the continued operation and preservation of the going concern value of the Debtor's business, **IT IS THEREFORE,**

**ORDERED** that the Trustee is hereby authorized to use, on an interim basis, the Cash Collateral and proceeds thereof in which BlueVine and the SBA assert a lien position through June 10, 2022, in accordance with the terms and conditions provided in this Order and the attached Budget,<sup>2</sup> and as otherwise authorized by such other order of the Court. **IT IS FURTHER,**

**ORDERED** that the BlueVine Replacement Liens granted to BlueVine in the First Interim Order and as defined therein, are hereby extended for the duration that the Trustee is authorized to use the Cash Collateral (the "Extended BlueVine Replacement Liens"). The Extended BlueVine Replacement Liens are intended to act as adequate protection pursuant to 11 U.S.C. §§ 361(2) and 552 to the extent of any diminution in value of BlueVine's interest in such Cash Collateral as a result of the Trustee's use thereof, in accordance with existing priority;<sup>3</sup> **IT IS FURTHER,**

**ORDERED** that the SBA Replacement Liens granted to the SBA in the First Interim Order and as defined therein, are hereby extended for the duration that the Trustee is authorized to use

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<sup>2</sup> Trustee is expressly authorized to use Cash Collateral for the categories set forth in the Budget and in an amount not to exceed 5% of the budgeted amounts for any given category.

<sup>3</sup> In addition to the foregoing adequate protection, the Trustee and BlueVine stipulate as follows:

- a. The Trustee waives its right to assert a Section 506(c) claim against the Cash Collateral of BlueVine; and
- b. BlueVine reserves its rights under Section 507(b) to seek allowance of a superpriority claim or a claim with priority over all other administrative expense claims if the adequate protection granted to BlueVine proves insufficient.

the Cash Collateral (the “Extended SBA Replacement Liens”). The Extended SBA Replacement Liens are intended to act as adequate protection pursuant to 11 U.S.C. §§ 361(2) and 552 to the extent of any diminution in value of the SBA’s interest in such Cash Collateral as a result of the Trustee’s use thereof, in accordance with existing priority. **IT IS FURTHER,**

**ORDERED** that the BlueVine Replacement Liens and the SBA Replacement Liens under this Order are in the same amount, extend, validity and priority as those liens existing pre-petition and that no filing, recording, or other acts in accordance with any applicable local, state, or federal law, rule, or regulation are necessary to perfect the Extended BlueVine Replacement Liens and the Extended SBA Replacement Liens. **IT IS FURTHER,**

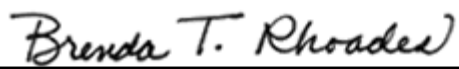
**ORDERED** that the Trustee shall not, without prior authorization of this Court, use any Cash Collateral to pay, discharge, provide security for, or reduce any prepetition debt obligation owed by the Debtor to any creditor or other person, except for payments made to employees and others as permitted by separate and further order of the Court. **IT IS FURTHER,**

**ORDERED** by this Order that the Court is specifically not ruling on the validity, extent or priority of any lien asserted by BlueVine and/or the SBA. **IT IS FURTHER,**

**ORDERED** that the authority to use Cash Collateral shall expire on June 11, 2022, unless otherwise extended by further interim or final order of the Court after hearing requested by the Trustee, **IT IS FURTHER**

**ORDERED** that a final hearing on the Motion is hereby set for **June 7, 2022, at 2 p.m.,**  
**C.D.T.**

Signed on 5/9/2022

  
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HONORABLE BRENDA T. RHOADES, YM  
CHIEF UNITED STATES BANKRUPTCY JUDGE

PREPARED AND SUBMITTED BY:

/s/ James S. Brouner  
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PROPOSED COUNSEL FOR SUBCHAPTER V TRUSTEE

# TRUSTEE EX 1